


## AFFORDABILITY CALCULATOR USER GUIDE

This guide is for our residential affordability calculator that offers the following lending formats:

- Standard Residential including second homes
- Lending in retirement – applicants under 80
- Lending in retirement – applicants over 80
- Self-build mortgage application
- Higher Income Multiple

This affordability calculator is a 5 step process and this guide walks you through these 5 steps.

### Residential/Self-Build Calculator



Step 1 of 5  
20%

#### Welcome to the Residential Affordability Calculator

Tax Year 2024-25

Please fill out the required information accurately, and our calculator will provide you with a clear assessment of affordability. If you have any questions or need assistance, please reach out to our team.

#### Application Information

Broker Name <i>(Required)</i>	Date
<input type="text"/>	<input type="text" value="09/04/2024"/>

Email *(Required)*

Please enter the email address you would like your affordability result to be sent to upon completion of the calculator.

Application Type

Standard Residential Including Second Homes

[Get Started →](#)

If you require assistance with this calculator or if you have any other queries, please ring our Intermediary Team on 01509 631953.

**STEP 1**

On opening the calculator as shown here:


**Please ensure that you complete all fields that state 'Required'**

Complete **Broker Name and Email** – this ensures that you receive a copy of the calculation for your case and that we have your details to refer to when you contact us.

Select **Application Type**

Select **Get Started** to progress to Step 2.

## Residential/Self-Build Calculator



Step 1 of 5

20%

### Welcome to the Residential Affordability Calculator

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#### Application Information

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<input type="text"/>	<input type="text" value="09/04/2024"/>

Email *(Required)*

Please enter the email address you would like your affordability result to be sent to upon completion of the calculator.

Application Type

Standard Residential including Second Homes

**Get Started →**

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**STEP 2**

Please complete all of the appropriate fields.

**Please ensure that you complete all fields that state 'Required'**

In Step 2 this includes:

**Is the tax code and number known?** - if it isn't known, this will default to the 'standard' tax code but you must state Yes or No

**Pension Contributions**

Residential/Self-Build Calculator 

Step 2 of 5

40%

Applicant 1

**Applicant Information**

Applicant Name

Is the tax code and number known? *(Required)*

Is the applicant above state retirement age?

The retirement status of the applicant(s) must be completed to ensure that National Insurance contributions and tax is correctly deducted.

Yes

No

**Primary Income**

Basic Gross Salary

Income Frequency

Self-Employed (Share of Net Profits)

Income Frequency

**If the **required** fields are not completed you will not be allowed to progress to Step 3**

**STEP 2 (CONTINUED)**

Please continue to complete all appropriate fields

Please complete all 'required' fields

Self-Employed (Dividends) Income Frequency

£0.00 Annually

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Monthly Guaranteed Shift Allowance

£0.00

Monthly Guaranteed Car Allowance

£0.00

Monthly Guaranteed Rent/Town Allowance

**Annual Pension/Investment Income**

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Personal/Occupational Pension

£0.00

State Retirement Pension

£0.00

Investment/Trust Income

£0.00

**Monthly Deductions Before Tax**

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Pension Contributions *(Required)*

Childcare Vouchers

£0.00

Other

£0.00

**Monthly Deductions After Tax**

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Student Loan

£0.00

Other Non-Taxable Deductions

£0.00

E.g. cycle purchase schemes, Sharesave, Save As You Earn (SAYE) & benefit purchases



**STEP 2 (CONTINUED)**

Please continue to complete all appropriate fields.

In Step 2 there is the opportunity to add a second applicant before you progress to Step 3.

Select **Yes** before selecting **Next** to add a second applicant.

When you have completed all relevant and required fields please select **Next** to progress to Step 3.

**Monthly Other Non-Taxable Income**

Maintenance (by Court Order)	Maintenance (if not by Court Order)
<input type="text" value="£ 0.00"/>	<input type="text" value="£ 0.00"/>
<small>Two years minimum</small>	<small>Two years minimum</small>
Benefits (Evidence Required)	Benefits (Evidence Required)
<input type="text" value="£ 0.00"/>	<input type="text" value="£ 0.00"/>
<small>Universal Credit (UC), Attendance Allowance (AA), Constant Attendance Allowance (CAA), Job Seekers Allowance (JSA), Pension Credit (PC) or Carers Allowance (CA)</small>	<small>Child Tax Credit (CTC), Personal Independence Payment (PIP), Employment &amp; Support Allowance (ESA), or Disability Living Allowance (DLA) Pension Credit (PC) Adult Disability Payment (ADP)</small>
Child Benefit	Working Tax Credit (WTC)
<input type="text" value="£ 0.00"/>	<input type="text" value="£ 0.00"/>
Bursary (Evidence Required)	
<input type="text" value="£ 0.00"/>	
<b>Total of Other Income Sources</b>	
<input type="text" value="£ 0.00"/>	

No tax will be deducted from this figure, and evidence of income will be required.

**Net Income**

Annual Net Income	Monthly Net Income
<input type="text" value="£ 0.00"/>	<input type="text" value="£ 0.00"/>

Would you like to add a second applicant?

- Yes
- No

If you require assistance with this calculator or if you have any other queries, please ring our Intermediary Team on 01509 631953.



**STEP 3**

Please continue to complete all appropriate fields.

Within this Step you will detail **Household Size** and **Basic Monthly Essential Expenditure** – further information is on the next page.

The Loughborough Building Society 

## Residential/Self-Build Calculator

Step 3 of 5

60%

### Let to Buy Shortfall Calculator

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Mortgage Payment

Rental Income

Shortfall

### Committed Monthly Expenditure

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Shared Ownership Rental Commitment

Self-Build Residential Mortgage/Rent Commitment

Let to Buy Shortfall

Loans & Hire Purchase Payments

Credit Card Balance	Monthly Credit Card Expenditure (3% Interest Rate)
<input style="width: 95%; border: 1px solid #ccc; padding: 2px 5px;" type="text" value="£ 0.00"/>	<input style="width: 95%; border: 1px solid #ccc; padding: 2px 5px;" type="text" value="£ 0.00"/>

Court Agreed Child Maintenance Payments

Own Lease, Maintenance, Ground Rent & Service Charges

**STEP 3 (CONTINUED)**

Please continue to complete all appropriate fields.

In the section ‘**Basic Monthly Essential Expenditure**’ you will select if you would like to use ONS data.

If selecting **Yes** this will **auto-populate the fields** within this section with ONS data.

If selecting **No** you must please **complete all sections** and **you must provide evidence to support any figures that are completed here by you.**

**Household Size**

The household size must be selected from the dropdown options before proceeding. Please ensure that the number of adults matches the number of applicants you have added.

Number of Adults	Number of Children
<input type="text" value="One Adult"/>	<input type="text" value="No Children"/>

**Basic Monthly Essential Expenditure**

Would you like to use ONS data?

If 'Yes' is selected, the fields will be automatically populated with ONS expenditure data, which can be over-typed.

Food & Groceries	Utilities Including Gas, Electricity & Water
<input type="text" value="£ 136.07"/>	<input type="text" value="£ 134.33"/>
Other Heating	Council Tax
<input type="text" value="£ 3.47"/>	<input type="text" value="£ 0.00"/>
Home & Protection Insurance Premiums	Mobile Phone Contracts
<input type="text" value="£ 0.00"/>	<input type="text" value="£ 50.27"/>
Essential Personal Motoring Costs	Essential Public Transport Costs
<input type="text" value="£ 185.47"/>	<input type="text" value="£ 82.33"/>
Life & Health Assurance	Other Essential Expenditure
<input type="text" value="£ 23.83"/>	<input type="text" value="£ 0.00"/>

**Quality of Living Costs**

Lifestyle Costs/Recreation	Personal Goods (e.g. Luxury Toiletries)
<input type="text" value="£ 179.83"/>	<input type="text" value="£ 0.00"/>
Smoker or non-smoker?	
<input type="text" value="Non-Smoker"/>	
Holidays	
<input type="text" value="£ 0.00"/>	
Childcare (Nursery/School/University Fees)	Clothing
<input type="text" value="£ 0.00"/>	<input type="text" value="£ 42.47"/>
Household Goods & Repairs	Other Quality of Living Costs
<input type="text" value="£ 116.57"/>	<input type="text" value="£ 0.00"/>

[Previous](#) [Next](#)

If you require assistance with this calculator or if you have any other queries, please ring our Intermediary Team on 01509 631953.

Select **Next** to progress to Step 4.


**STEP 4**

In this section you will select the loan repayment method, appropriate term and product interest rate.

Please continue to complete all appropriate fields.

Select **Next** to progress to Step 5.

## Residential/Self-Build Calculator



Step 4 of 5 80%

### Loan Details

Repayment Method

Capital Repayment
▼

### Capital Repayment

Amount £75,000.00	Loan Term in Years 25	Plus Months
Product Rate (%) 5.25	Loan Type Fixed ▼	Product Term 2 ▼

Product CMS

£ 449.44

Previous
Next



**STEP 5**

Once you had selected **Next** on the previous Step this will then show you to affordability outcome as Step 5.

The screen here shows an Affordability Pass.

This screen also details **Projected Affordability Calculator: Lending Into Retirement.**

Please complete this section if you have:

- A lending into retirement case – where the mortgage will be paid after the applicant is 70 years old.
- A lending into retirement case – where the mortgage will be paid after the applicant is 80 years old.

An example follows on the next page:

Step 5 of 5 100%

### Stress Testing on a Capital Repayment Basis

Stressed Monthly Repayment on the Total Borrowing

Free Income (%)

Capital Repayment or Part & Part

**Affordability Result: Pass**

Income Multiple x Gross Income

Maximum Income Multiple

**Result: Pass**

Within permitted income multiple

### Projected Future Affordability Calculator: Lending Into Retirement

Years Until Retired	Years Until 80
<input type="text" value="0"/>	<input type="text" value="0"/>
Projected Mortgage Balance at Retirement	Projected Mortgage Balance at Age 80
<input type="text" value="£ 75,000.00"/>	<input type="text" value="£ 75,000.00"/>
Anticipated Income at Retirement	Anticipated Income at Age 80
<input type="text" value="£ 0.00"/>	<input type="text" value="£ 0.00"/>
Projected Income Multiple	Projected Income Multiple
<input type="text" value="0"/>	<input type="text" value="0"/>

Repayment Method: Capital Repayment

[Previous](#) [Submit](#)

**STEP 5 (CONTINUED)**

Shown here is an example Projected Future Affordability Calculator: Lending Into Retirement.

Please complete this section if the applicant meets the terms of Lending Into Retirement.

**Projected Future Affordability Calculator: Lending Into Retirement**

Years Until Retired	Years Until 80
<input type="text" value="10"/>	<input type="text" value="20"/>
Projected Mortgage Balance at Retirement	Projected Mortgage Balance at Age 80
<input type="text" value="£55,907.81"/>	<input type="text" value="£23,670.19"/>
Anticipated Income at Retirement	Anticipated Income at Age 80
<input type="text" value="£20,000.00"/>	<input type="text" value="£20,000.00"/>
Projected Income Multiple	Projected Income Multiple
<input type="text" value="2.7953905"/>	<input type="text" value="1.1835095"/>
Repayment Method: Capital Repayment	
<b>Affordability Into Retirement: Pass</b>	<b>Affordability Aged 80: Pass</b>
<input type="button" value="Previous"/>	<input type="button" value="Submit"/>

Select **Submit** to generate your report.

This report will be sent directly to the email you supplied in Step 1 and also to the Intermediary Team at The Loughborough.

**Thank you very much and we look forward to working with you in the future.**